

8 December 1986

MEMORANDUM FOR: C/ICCS  
FROM: C/FED  
SUBJECT: Scrambling INTERNET Signals

1. The issue of scrambling INTERNET transmission which you mentioned to me the other day has, at least, two aspects to it. The first is technical and the second is pragmatic.

2. In the technical area there are a host of approaches ranging from very simple to very sophisticated techniques. Commercial grade scrambling equipment is estimated to be in the order of \$75K per earth terminal or a total for the London-Washington link of \$150K. Note that this equipment does not produce truly "secure" transmissions.

3. In the practical arena, however, there are other considerations. British Telecom, for example, will not carry encrypted video under the current agreement. Translated this means more money and they insist that whatever equipment is used must meet their standards (e.g., buy the unit from them). Further, I suggest that one should examine the whole issue from a different point of view. If one scrambles these signals, it seems to me that this represents a tacit admission that you realize that you are doing something wrong. It further would appear to eliminate the argument that this information was/is public information and therefore no agreements have been violated by merely transmitting it from one FBIS installation to another.

STAT